

KENTUCKY BOARD OF EDUCATION

**KENTUCKY DEPARTMENT OF
EDUCATION**

SUMMARY OF REQUESTS

**FY2007 AND FY2008
BIENNIAL BUDGET REQUEST**

Kentucky Board of Education Goals

All Schools Achieving Proficiency by 2014

1. High Student Performance

- 1.1 Every student in school and making strong progress
- 1.2 Every student achieving at high levels
- 1.3 Every student reading at or above proficient level
- 1.4 Every KDE employee working to enhance student success
- 1.5 Every school accountable for student learning
- 1.6 Every graduate ready for post-secondary education and/or work

2. High Quality Teaching and Administration

- 2.1 Every teacher competent, caring and qualified
- 2.2 Every principal an instructional leader
- 2.3 Every school an equitable place to work and learn
- 2.4 Every local district supportive of teachers and students

3. Strong and Supportive Environment for Each School and Every Child

- 3.1 Every child and teacher in a safe and caring environment
- 3.2 Every child who is behind receiving increased supports
- 3.3 Every school with sufficient instructional resources for high achievement
- 3.4 Every family involved in their child's learning
- 3.5 Every community involved in children's learning

KDE BUDGET REQUEST OVERVIEW

The FY07-08 Biennial Budget request includes over \$650 million in General Fund increase in addition to over \$58 million increase in Capital Project funding over the next two years. The following summary displays a categorical breakdown of the most significant funding requests. All additional requests are itemized in priority in this handout.

Fixed Costs

The bulk of the new money requested is required to be included by statute or is a necessary expense. The agency has no control over these costs.

- The amount required for a 5% **Salary Increase** for teachers and classified employees as is provided for state employees per KRS 157.420(\$150.3M in FY07 and an additional \$157.8M in FY08)
- **Retirement** expenses associated with the salary increases (\$18.8M in FY07 and an additional \$19.8M in FY08)
- **Health insurance** with double digit increases each of the next two years (\$58.1M in FY07 and an additional \$71.6M in FY08)

KDE BUDGET REQUEST OVERVIEW

Growth

The Board's priorities include requests for growth funding in these areas:

Salary

- 2.5% (Including associated retirement match) across the board increase plus 1.5% and 1.8% CPI adjustments for FY07 (\$135.2M) and FY08 (\$235.2M) respectively
- Increase school calendars by one additional professional development day and one additional instructional day in each of the two biennial years (\$27M in FY07 and an additional \$27M in FY08)
- Increased salary potential by introduction of a Differentiated Compensation Initiative (\$20M in FY08)

LEP

- Increased funding for students with limited English proficiency (\$3M in FY07 and \$4M in FY08)

PRESCHOOL

- Increased funding in Preschool that will support total costs of all eligible students including families and children at or below 200% of the federal poverty level (\$27.4M in FY07 and \$27.4M in FY08)

TECHNOLOGY

- Increased funding in technology that would be targeted toward reducing the unmet needs in Kentucky's 176 school districts (\$25M in each of the two fiscal years)

KDE BUDGET REQUEST OVERVIEW

CAPITAL PROJECTS

Capital Project funding requests to support the following technology and renovation needs:

TECHNOLOGY

- | | |
|----------------------------------|--------------|
| ▪ On-Line Assessment | \$15,000,000 |
| ▪ Knowledge Portal | \$ 6,250,000 |
| ▪ Student Data Management System | \$10,000,000 |

RENOVATIONS

- | | |
|---|--------------|
| ▪ Kentucky School for the Blind
Kentucky School for the Deaf
FFA Leadership Training Center | \$26,900,000 |
|---|--------------|

EDUCATION INITIATIVES ADDRESSED IN GOVERNOR'S RECOMMENDED BUDGET

- There's \$232.8M additional in the General Fund (over the biennium) for (1) a 2% cost-of-living increase for certified and classified employees; (2) one additional professional development day in FY07 and two additional instructional days in FY08; (3) \$20M in FY08 for "Enhanced Professional Compensation." The goal of the additional funding is to bring Kentucky teachers more in-line with compensation and number of school days in surrounding states. These initiatives are a further step toward advancing the Governor's plan to reach or exceed compensation and additional number of days equal with other states by 2012.
- Preschool will get \$47M over the biennium.
- A program called Ready, Set, Success will get \$1M designed to bring local agencies together to provide services to young children.
- Coal severance funds will provide \$8M for Read to Achieve, targeted to coal-producing counties.
- \$1.8M is earmarked for nationally certified teachers.
- The base per-pupil amount for SEEK will be \$3,505 in FY07 and \$3,669 in FY08.
- \$100M in bonds will go to SFCC.
- \$59M, \$37M of which is from General Fund bonds, is allotted to fund a P-16 Education Information Technology Integration initiative. Most of the focus is on the Kentucky Education Network, but online assessments, unified virtual education and an "electronic learning system" for state agencies also are included.
- \$5M in coal severance agency receipt funds designated as additional KETS support in coal producing counties.
- Area Technology Centers in Kenton and Hancock counties will receive a total of \$3.9M.

Kentucky Department of Education Reductions

Administration

	Enacted Appropriation	% Reductions	Reductions in Operations	Personnel Cap
FY01	\$29,990,000	(2%) Round 1 Round 2 Subtotal	-579,800 - 70,000 -649,800	859
FY02	\$31,700,900	(5%) Round 1 (2%) Round 2 Subtotal	-1,567,300 - 610,800 -2,178,100	862
FY03	\$29,000,000	(2.6%) Round 1	-773,000	818
FY04	\$23,572,300	(7%) Round 1	-2,210,400	694
FY05-06			-150,000	694*
FY07 (Recommended)			-1,888,000	661

**Of the 694 Position CAP, 270 are employed at the Kentucky School for the Blind and Kentucky School for the Deaf. Of the 424 remaining Frankfort-based employees, 70 are paid with federal funds, leaving 354 employees paid with General Fund dollars.*